



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/184,012	06/26/2002	Amy Swift	90945-791390 (018700US)	7332

20350 7590 03/02/2017
KILPATRICK TOWNSEND & STOCKTON LLP
Mailstop: IP Docketing - 22
1100 Peachtree Street
Suite 2800
Atlanta, GA 30309

EXAMINER

GOTTSCHALK, MARTIN A

ART UNIT	PAPER NUMBER
----------	--------------

3693

NOTIFICATION DATE	DELIVERY MODE
-------------------	---------------

03/02/2017

ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

ipefiling@kilpatricktownsend.com
jlhice@kilpatrick.foundationip.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte AMY SWIFT, LISA TIDWELL, and CASSANDRA MOLLETT

Appeal 2015-001275¹
Application 10/184,012²
Technology Center 3600

Before ANTON W. FETTING, NINA L. MEDLOCK and
BRADLEY B. BAYAT, *Administrative Patent Judges*.

BAYAT, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's final rejection of claims 19, 20, 22, 36–40, 48, and 50. We have jurisdiction under 35 U.S.C. § 6(b).

SUMMARY OF THE DECISION

We AFFIRM.

¹ Our decision references Appellants' Appeal Brief ("App. Br.," filed Mar. 26, 2014), Reply Brief ("Reply Br.," filed Jan. 20, 2015), and the Examiner's Answer ("Ans.," mailed Nov. 18, 2014).

² "The Western Union Company of Englewood, Colorado is the real party of interest". App. Br. 3.

CLAIMED SUBJECT MATTER

Appellants' "invention relates to the field of electronic commercial transactions. More specifically, the invention relates to electronic check processing systems which process transactions from payment devices presented as payment for goods or services." (Spec. ¶ 2).

Independent claim 19, reproduced below, is illustrative of the claimed subject matter.

19. A method of enrolling a user in a transaction processing system which provides for payment for goods or services by a user through a payment device associated with a checking account, wherein the payment device is not a paper check, credit card, or debit card, the method comprising:

- receiving, at a transaction processor, instructions from a merchant system to initiate at least one validation transaction;

- formatting, with the transaction processor, at least one validation transaction from enrollment data provided by a user, wherein:

- the enrollment data includes data associated with a checking account;

- the at least one validation transaction comprises:

- at least one debit from the checking account; and

- at least one credit to the checking account, wherein the at least one credit is equal in amount to the at least one debit;

- transmitting, from the transaction processor to a clearinghouse system, the at least one validation transaction for processing;

- receiving, at the transaction processor, confirmation from the user indicating whether the at least one validation transaction was properly settled and for what amount or amounts; and

- transmitting, with the transaction processor, an indication of the confirmation to be used in the determination of whether to enroll the user in a transaction processing system which provides for payment for goods or services through a payment

device other than a paper check, credit card, or debit card, the payment device being associated with the checking account.

Prior Art Relied Upon

The Examiner relies on the following prior art as evidence of unpatentability:

Hills	US 5,484,988	Jan. 16, 1996
Templeton	US 7,430,537 B2	Sept. 30, 2008

REJECTIONS ON APPEAL

The following rejections are before us.

- I. Claims 19, 20, 22, 36–40, 48, and 50 stand rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.³
- II. Claims 19, 20, 36–40, 48, and 50 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Templeton.
- III. Claim 22 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over Templeton and Hills.

³ Following the mailing of the September 5, 2014 Examiner's Answer, this New Ground of Rejection was entered in a subsequent Answer. *See* Ans. 3–5.

ANALYSIS

Rejection I

Alice sets forth “a framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice Corp. Pty Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014) (*citing Mayo*, 132 S. Ct. 1289, 1294 (2012)). According to the Supreme Court’s framework, it must first be determined whether the claims at issue are directed to one of those concepts (i.e., laws of nature, natural phenomena, and abstract ideas) (*id.*). If so, a second determination must be made to “consider the elements of each claim both individually and ‘as an ordered combination’ to determine whether the additional elements ‘transform the nature of the claim’ into a patent-eligible application (*id.*).

In rejecting claims 19, 20, 22, 36–40, 48, and 50 under § 101, the Examiner finds

The claims are directed to the abstract idea of validating that a person is the true owner of a funding account (e.g. a checking account) in order to enable the person to authorize future payments from the account. This is deemed to be abstract first because such a validation is considered to be a fundamental economic practice, and second because the steps involved in the inventions are considered to be a method of organizing human activities. The additional elements or combination of elements in the claims other than the abstract idea per se amount(s) to no more than mere instructions to implement the idea on a computer.

Viewed as a whole, these additional claim elements do not provide meaningful limitations to transform the abstract idea into a patent eligible application of the abstract idea such that the claims amount to significantly more than the abstract

idea itself. Therefore, the claims are rejected under 35 U.S.C. 101 as being directed to nonstatutory subject matter.

Ans. 3–5. The Examiner applies this reasoning to all the claims in the rejection.

Appellants argue that even assuming that the claims are directed to an abstract idea,

a prima facie case of ineligible subject matter is not established. . . . [because] the Answer merely states, in a single conclusory sentence, that “[t]he additional elements or combination of elements in the claims other than the abstract idea per se amount(s) to no more than mere instructions to implement the idea on a computer.”

Reply Br. 3.

We are persuaded that even if the claims are directed to an abstract idea, the Examiner has not adequately explained why the claims fail to recite limitations that are “significantly more” than the abstract idea itself. The Office issued preliminary examination instructions in view of *Alice* instructing examiners under “Part 2” of the test to “determine whether any element, or combination of elements, in the claim is sufficient to ensure that the claim amounts to significantly more than the abstract idea itself.”⁴

USPTO Memorandum 3 (“Memo,” issued June 25, 2014). In considering the claim as a whole, by considering all claim elements both individually and in combination, the Office provided several examples for consideration “that may be enough to qualify as ‘significantly more’ **when recited in a claim with an abstract idea**” such as improvements to another technology

4

https://www.uspto.gov/sites/default/files/patents/announce/alice_pec_25jun2014.pdf

of technical field, improvements to the functioning of the computer itself, or meaningful limitations beyond generally linking the use of an abstract idea to a particular technological environment. *Id.* For instance, the Examiner does not explain why Appellants' claimed invention would not be considered an improvement in the technical field of electronic check processing, as asserted by Appellants. *See Spec.* ¶¶ 3–10. Instead, the Examiner summarily concludes, without any analysis, that the limitations beyond the abstract idea are “no more than mere instructions to implement the idea on a computer.” *See Ans.* 4.

Accordingly, to the extent that a prima facie case of nonstatutory subject matter has not been established in the record as articulated by the Examiner, we reverse the rejection under 35 U.S.C. § 101.

Rejections II & III

Independent claims 19, 40, and 48, and dependent claims 20, 36–38, and 50

Appellants argue independent claims 19, 40, and 48 as a group (*see App. Br.* 6–9). We select claim 19 as being representative. The remaining claims therefore, stand or fall with claim 19. 37 C.F.R. § 41.37(c)(1)(iv).

We have reviewed Appellants' arguments against the Examiner's findings and rationale, but we find them unpersuasive as to error in the rejection. We note the following for emphasis.

Appellants argue that “Templeton fails to establish a prima facie case of obviousness with respect to claims 19, 40, and 48 at least because Templeton does not teach or suggest all of the recitations of these claims.” *App. Br.* 6. According to Appellants, “[w]hether Templeton teaches or suggests zero-sum enrollment transactions is the crux of this appeal.” *Id.*; *see also id.* at 8 (“Templeton never once discloses that one or more debit

transactions should equal one or more credit transactions in value as recited by the instant claims.”).

We find this argument unpersuasive at least because the test for obviousness is not whether the claimed invention is expressly suggested in any one or all of the references, but whether the claimed subject matter would have been obvious to those of ordinary skill in the art in light of the *teachings* of Templeton. *See In re Keller*, 642 F.2d 413, 425 (CCPA 1981). Contrary to Appellants’ assertion *supra*, the relevant question in considering obviousness is not whether the claimed invention is different from the prior art, but rather “whether the difference between the prior art and the subject matter in question is a difference sufficient to render the claimed subject matter unobvious to one skilled in the applicable art.” *Dann v. Johnston*, 425 U.S. 219, 228 (1976).

Templeton is directed to a

method for verifying a financial instrument or a user’s authorization to use a financial instrument. The system initiates one or more verifying transactions involving the instrument, with details that may vary from one transaction to another, such as the type of transaction (e.g., deposit, credit, debit), amount of the transaction, number of transactions, the merchant or vendor name or account for the transaction, and so on.

Templeton, Abstract. Templeton discloses a substantially similar process for verifying a financial instrument as recited in claim 19. *See* Templeton, Fig. 2. The difference between Templeton and the subject matter of claim 19 is that Templeton does not expressly disclose verifying transactions *wherein the at least one credit is equal in amount to the at least one debit*.

The Examiner determines that this difference is insufficient to render the claimed subject matter unobvious to one skilled in the applicable art.

The Examiner arrives at this determination because

Templeton teaches wherein the at least one validation transaction comprises at least one debit from the checking account and at least one credit to the checking account (Templeton: col 2, Ins 53-56; col 6, Ins 21-37, note that debits and credit are taught, and that varying the details of the transaction such as the number and type of transactions is taught.).

Ans. 7–8

We disagree that “Templeton very nearly teaches away from making deposit and withdrawal transactions in the same amounts.” App. Br. 8; *see also* Reply Br. 4–5. “A statement that a particular combination is not a preferred embodiment does not teach away absent clear discouragement of that combination.” *Syntex (U.S.A.) LLC v. Apotex, Inc.*, 407 F.3d 1371, 1380 (Fed. Cir. 2005). In fact, the Supreme Court made clear that when considering obviousness, “the analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ.” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007). In this case, Appellants present no evidence that the amount of the transactions are in any way functionally related to performance of the claimed process. In fact, the transaction amounts are merely viewed by an account holder, and those amounts are inputted as part of the claimed process to verify that the user is the rightful account owner.

Contrary to Appellants’ teaching away argument, Templeton’s disclosure that “[c]ertain details may vary from one transaction to another, thereby decreasing the likelihood that the user could guess them. . . .

Illustrative variable details include number of transactions, type of transactions (e.g., deposit or withdrawal, debit or credit), amount of the transaction,” at least suggests Templeton considered both options. *See* Templeton 6:24–29. Templeton appears to have considered selecting equal transaction amounts, as claimed by Appellants, but found that to be less secure because the user could guess correctly once. In other words, Templeton determined that using differing transaction amounts would at least require two correct guesses to be verified—decreasing the likelihood of fraud. As such, we agree with the Examiner because Appellants do not present any persuasive argument or technical reasoning to show that the argued limitation is more than a predictable variation that would have been obvious, in view of Templeton, to a person of ordinary skill in the art using no more than the inferences such a person would employ. *See* Ans. 17.

We are not persuaded, on the present record, of error on the part of the Examiner. Therefore, we sustain the Examiner’s rejection under 35 U.S.C. § 103(a) of independent claim 19, and independent claims 40 and 48, which fall with claim 19. We also sustain the rejection of claims 20, 36–38, and 50, which are argued based on their dependence from the independent claims. *See* App. Br. 10.

Dependent claim 39

Claim 39 recites, *inter alia*, “wherein the instructions from the merchant system that at least one debit from the checking account not exceed the particular amount originates from the user.” App. Br. 14, Claims App.

Appellants argue that the citations relied upon by the Examiner do not explicitly, implicitly, or inherently teach or suggest the recitations of

claim 39 (*see* App. Br. 10–11). However, whether the specific instruction as to the maximum amount of a validation transaction comes from the merchant or the user does not affect the performance of the claimed process. As such, the origination of the maximum transaction amount constitutes non-functional descriptive material that may not be relied on for patentability. *See, e.g., In re Lowry*, 32 F.3d 1579, 1583 (Fed. Cir. 1994) (mere informational content of non-functional descriptive material is not entitled to patentable weight); *see also Ex parte Mathias*, 84 USPQ2d 1276, 1279 (BPAI 2005) (informative). Therefore, we sustain the rejection of claim 39.

Dependent claim 22

Appellants argue that claim 22 “depends, either directly or indirectly, from claim 19, and is therefore believed to be allowable at least by virtue of its dependence from an allowable base claim.” App. Br. 11. Therefore, we sustain the rejection of claim 22 for the same reasons discussed above as to claim 19.

DECISION

The Examiner’s rejection under 35 U.S.C. § 101 is improper.

The Examiner’s rejections under 35 U.S.C. § 103 are proper.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED